

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

RESPONSIVENESS SUMMARY

FOR THE
HARTFORD INTEGRATION PROJECT AND
WOOD RIVER REFINERY IN
ROXANA AND HARTFORD, ILLINOIS

April 2004

Bureau of Air
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Bureau of Water
NPDES Permit No. IL0000205

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Decision

On April 14, 2004, the Illinois Environmental Protection Agency (Illinois EPA) issued a Bureau of Air construction permit to ConocoPhillips for the Hartford Integration Project at its Wood River Refinery at 900 South Central Avenue in Roxana. The Illinois EPA Bureau of Water also reissued a National Pollutant Discharge Elimination System (NPDES) permit to ConocoPhillips for its wastewater discharges, which also accommodates the Hartford Integration Project.

Copies of the documents can be obtained from the contact listed at the end of this document. The permits and additional copies of this document can also be obtained from the Illinois EPA website www.epa.state.il.us/public-notices/.

Background

On July 31, 2003, ConocoPhillips purchased several assets located at the adjacent Hartford Refinery from Premcor. On November 5, 2003, the Illinois EPA, Bureau of Air received an application from the ConocoPhillips for the Hartford Integration Project. The Hartford Integration Project would allow the start up of the Crude Unit and Coker and the use of storage tanks and other equipment at the Hartford Refinery and connect these assets to the Wood River Refinery by above ground piping. This project will allow the Wood River Refinery to process lower cost heavy crude oils. An Illinois EPA Bureau of Air construction permit is required because the processing of heavy crude oil will cause an increase in air emissions at the source. ConocoPhillips also requested revision and reissuance of its National Pollutant Discharge Elimination System (NPDES) permit to incorporate water discharges and runoff from the portions of the Hartford Refinery purchased from Premcor.

Due to public interest in other local sources, ConocoPhillips requested that the Illinois EPA hold a public hearing on the proposal. The public comment period opened with the publication of a hearing notice in the Alton Telegraph on January 24, 2004. The hearing notice was published again in the Alton Telegraph on January 31 and February 7, 2004. The Illinois EPA, Bureaus of Air and Water held a public hearing on March 9, 2004 at the Hartford Elementary School in Hartford. The purpose of this public hearing was to accept oral comments into the written hearing record and answer questions about the proposed project. The comment period remained open until April 8, 2004.

Questions and Comments

General

1. When did Premcor cease its operations in Hartford?

Premcor ceased its refining operations at Hartford in October 2002. However, Premcor is still operating storage tanks and a barge loading dock for petroleum products.

2. I don't understand why ConocoPhillips bought the process equipment at the Hartford refinery, if it is not going to be used for additional production.

The current project, the Hartford Integration Project, has economic benefits for ConocoPhillips, as it would enable ConocoPhillips to process heavier crude oils. These heavier crude oils, which can be processed by the crude unit and coker at the Hartford refinery, can be purchased at a lower cost than lighter crude oils. It is also possible that in the future, ConocoPhillips could develop proposals that would utilize other units at the Hartford Refinery that would involve a production increase.

3. Is there a temporary permit that is allowing some of the equipment at the Hartford refinery to operate?

Yes. On April 6, 2004, the Illinois EPA issued a separate construction permit to ConocoPhillips for the crude unit. The Illinois EPA took this action after a distillation unit at the Wood River refinery experienced some operational problems. The permit was issued so that the Hartford crude unit would be available if needed to avoid a potential shortage of gasoline. The temporary permit allows ConocoPhillips to startup the crude unit and operate it for 30 operational days or until May 31, 2004, whichever comes first.

Existing Groundwater Contamination

4. It is a striking coincidence that the public hearing, which was originally planned for the Hartford Recreation Center, had to be moved because of the level of gasoline fumes in that building. The source of those fumes is a pool of gasoline and petroleum products, which moves up and down with the water table under the city, that was created by historic leaks from pipelines and other facilities operated by Premcor and others in the area. This contamination is a serious problem for the people living in Hartford and needs to be corrected now.

The Illinois EPA agrees that the groundwater contamination is a serious problem. The Illinois EPA's Bureau of Land and Division of Legal Counsel are

working with USEPA and the Attorney General's Office to solve the problem. In this regard, the USEPA held a public meeting in Hartford on March 25, 2004 to discuss contamination issues, to explain the agreement signed on March 17 with Premcor and two other oil companies, and to discuss the remediation work that will be performed.

5. Will restarting the process units at the Hartford refinery contribute to the groundwater contamination in the Village of Hartford?

The Hartford Integration Project should not contribute to this contamination. The process units that will be started up at the Hartford refinery are not units that are directly involved in handling of gasoline or petroleum products, as involved in the contamination. These refinery units handle incoming crude oil and produce intermediate streams that would then be sent over to the Wood River Refinery. Given the location and nature of the units, restarting these units should not contribute to the existing contamination problem.

6. Is any of the equipment that is being permitted as part of the Hartford Integration Project related to the existing groundwater contamination?

It is possible that the sewers and other infrastructure at the refinery have contributed to historic contamination under the Hartford refinery itself. It is not known if this contamination also contributed to the hydrocarbon plume under the northern part of the Village of Hartford, which is generally attributed to the handling of gasoline and other finished petroleum products.

7. Will operation of the units at the Hartford refinery cause future contamination?

It is certainly possible that spills and releases may occur during the operation of the units. Proper operation and maintenance of the units will minimize the possibility of a release. If any releases do occur, ConocoPhillips will be required to take the necessary actions to prevent further groundwater contamination.

8. Would the State of Illinois be responsible if the permit is granted without the equipment being fully inspected and further contamination should occur?

The party or parties whose operations cause or contribute to the further contamination would be legally responsible for that contamination. This is true irrespective of whether or not equipment has ever been inspected by the Illinois EPA. To date, the Wood River Refinery has not been implicated as one of the parties responsible for the contamination in the Hartford area.

Water Pollution

9. We still experience a problem with stormwater runoff. If you get heavy rains, you have this oily water that runs down along the ditch next to Highway 111 and into Grassy Lake.

The reissued NPDES permit addresses this wastewater stream, which involves Outfall 003. For contaminated runoff, the reissued NPDES Permit requires ConocoPhillips to comply with the limits for oil and grease and total organic carbon (TOC) at 40 CFR 419.22(e). As this stormwater comes from a stormwater retention area, the reissued permit (Condition 26) requires ConocoPhillips to implement measures to prevent stormwater from this retention area from being discharged. In the event that a tank dike overflow occurs that results in flow to that stormwater retention area, any floating oils must be removed prior to discharge.

10. Is the Wood River refinery treatment plant capable of handling the additional wastewater from the former Premcor units?

The Illinois EPA has determined that the Wood River refinery's Wastewater Treatment Plant (WWTP) has the capacity to treat the wastewater from the former Premcor units.

11. Water quality based effluent limits should be included in the permit for ammonia and total suspended solids.

The limits for ammonia (expressed as nitrogen) in the NPDES permit are production based load limits calculated as the product of the average production and the effluent limit contained in 40 CFR 419, Subpart B. There are no federal concentration limits (e.g., limits expressed in milligrams per liter) or state effluent standards that apply to ammonia for this facility's discharges. Furthermore, water quality limits for ammonia do not apply due to the very large dilution in the Mississippi River. Such limits also do not apply due to the effluent ammonia concentrations being well below any ammonia water quality standards that can be derived for the facility's discharges, so there is no reasonable potential for the facility's effluents to violate any such standard.

The concentration limits for total suspended solids are based on the state effluent standards in 35 IAC 304.120. There are no water quality standards for total suspended solids.

12. Why was the decision made to no longer monitor cyanide, chloride, total dissolved solids and sulfate? Is there any historical evidence that leads the Illinois EPA to these decisions?

Cyanide in wastewater is not being monitored because data obtained by the Illinois EPA shows cyanide levels to be in compliance with the prior permit limits, so there would be no reasonable potential to exceed a water quality standard. In this regard,

cyanide is not being used at the refinery. Accordingly, cyanide is not regulated in the reissued NPDES Permit.

As far as chloride, total dissolved solids, and sulfate), the discharges have been in compliance with the prior permit limits for those parameters. Given the large dilution provided by the Mississippi River, and that data obtained for these parameters showing no reasonable potential to violate any water quality limits that can be derived, there is no need to regulate these parameters in the wastewater.

13. The discharges of polychlorinated biphenyls (PCBs), siltation, suspended solids, metals, nutrients, phosphorus and nitrates in wastewater are of particular concern, since the Mississippi River has been found to be impaired for these substances. The reissued permit should not increase the loading of these parameters to the river. In addition, current loading of nitrates and phosphorus should be determined, and the discharge should be limited at the current loading levels. Finally, the need to increase loading of BOD, COD, oil and grease, and sulfide should be further investigated.

The antidegradation assessment relates to facts concerning the status of the receiving stream, the Mississippi River at Segment J-50, as listed pursuant to Section 303(d) of the federal Clean Water Act. The listed potential causes of impairment are given, but this does not imply that PCBs, siltation, suspended solids, metals, nutrients, phosphorus, inorganic nitrogen (nitrates) and nitrites are found in the effluent or are included as parameters that will increase in loading when the changes are made at the Wood River refinery. On the contrary, the increased loading of total suspended solids is the only parameter that overlaps the list of potential causes of impairment from the Section 303(d) list. This fact is tempered by the knowledge that increased wastewater at the Wood River refinery is accompanied by decreased wastewater at the former Premcor Hartford refinery. The net change in loading to the river is minimal. The Illinois EPA does not consider the Wood River refinery to be in conflict with Section 303(d). Whatever small increases in loading that will actually occur from the reissuance of the NPDES Permit do not represent degradation and are therefore allowable under the antidegradation standard.

The Illinois EPA has also determined that the proposed shifting of wastewater to the Wood River refinery is in compliance with the Illinois anti-degradation standard in 35 IAC 302.105. The proposed activity will result in attainment of water quality standards, and all technically and economically reasonable measures to assure or minimize the extent of the proposed increase in pollutant loading have been incorporated in the activity.

14. The Village of Roxana is proposing its own wastewater treatment facility, with new discharge to the Cahokia Diversion Channel. This would enable the Village to stop discharging its treated wastewater through lagoons owned by ConocoPhillips. What affect would this have on the ConocoPhillips NPDES permit?

The Village of Roxana must obtain permits from the Illinois EPA Bureau of Water for its wastewater treatment plant and the new discharge. Once the Village of Roxana has its treatment plant running, the ConocoPhillips NPDES permit would be modified to exclude the Roxana discharges that had been previously sent to ConocoPhillips facilities.

Air Pollution

15. Sometimes the odors from the refinery are so bad it seems like you can't breath, and this is harmful to your health. Recently we had to call the Illinois EPA office in Collinsville because of the chemical smell, our eyes and throat burned.

The Illinois EPA will investigate and take appropriate action regarding any odor complaint it receives. If equipment is not being operated properly, the solution is obvious. If equipment is operated properly but nuisance odors occur, then there would be further investigation on what needs to be done to alter the operation to mitigate or eliminate such odors.

16. The Illinois EPA should perform a health and mortality assessment to determine the incidence of health problems in the area.

The issuance or denial of permits is based upon a project's ability to demonstrate compliance with applicable environmental laws and regulations. These regulations are developed to minimize adverse health and environmental impacts. Performance of a health assessment is not required and would be of limited benefit, as it would not establish any particular relationship between the project currently being proposed by ConocoPhillips and levels of disease in the surrounding communities. This is because public health is a consequence of a multitude of factors, not just air quality and other environmental factors, that accrue over the course of people's lives.

Air Pollution Control Permitting

17. Is a flare part of this project?

The flare system at the Hartford Refinery is part of the project. This system is one of the supporting facilities involved by the project. Flare systems are an essential feature of a petroleum refinery.

18. We recently did a FOIA review of the ConocoPhillips and Premcor files and had requested and received a list of all operating permits that were supposed to be pertinent to the project. The list detailed eleven emission units or groups of units, while the permit

has but six.

Some of the process units have emission units covered by different permits. In addition, the requirements of the Consent Decree are addressed by a separate construction permit. Accordingly, 11 permits do not yield 11 groups of units.

19. Has each piece of equipment that is included in the integration project been identified, that is, does the Illinois EPA know what specific units or pieces of equipment are included? Can the Illinois EPA supply a list of the permits covering the equipment involved in this project?

Yes. ConocoPhillips did identify the units and their respective permits, as provided below. Note that in permits 72110541 and 72110678 not all of the equipment listed will be operated.

Permit	Equipment
77050044	No. 2 Crude Vacuum Unit, with Heaters
91090091	H-35 Feed Prep Heater
72110684	Crude Feed Prep Unit
72110544	Delayed Coker Unit, with Heaters
01040002	H-36 Coking Unit Heater
72110541	Boilerhouse (Boilers 4 and 5 only)
95030184	Cooling Water Towers
92090089	Refinery Flare System
01120042	Sludge Unit
72110678	Refinery Tank Farm (Selected tanks only)

20. Is all of the equipment at the Hartford refinery that was bought by ConocoPhillips currently permitted?

The equipment is all covered by existing state permits, which were originally issued to Premcor and have now been transferred to ConocoPhillips. However, further permitting may be needed to resume operation of the equipment, depending on the specific circumstances. In particular, for the Hartford Integration Project, a construction permit was needed to address the new piping that is being constructed and the emissions consequences for the Wood River refinery.

While the expiration date of these operating permits has passed, these permits continue in effect as a matter of law. This is because the submittal of an application for a Clean Air Act Permit Program (CAAPP) permit, as was submitted by Premcor, maintains the effectiveness of these permits.

21. Has any of the equipment been retired?

Even though certain equipment would not currently be operated, the Illinois EPA is not aware that ConocoPhillips has permanently shut down and decommissioned any of the equipment that it purchased.

22. Is the Fluidized Catalytic Cracking (FCC) Unit at the Hartford refinery ever going to be used?

The Illinois EPA is not able to predict whether ConocoPhillips will propose to operate the FCC Unit in the future. However, before ConocoPhillips would be able to resume operation of the FCC Unit, it would have to obtain the necessary construction permit to address the consequences of this action. At a minimum, ConocoPhillips would be required to install a wet gas scrubber or other comparable control device on the FCC Unit for control of SO₂ and particulate matter (PM) emissions as required by a Consent Decree that applies to the Hartford refinery. (United States of America and People of the State of Illinois v. Clark Refining and Marketing, Inc., United States District Court for the Southern District of Illinois, No. 99-87-GPM.) ConocoPhillips would also have to address potential applicability of New Source Review rules to the project.

23. Will any of the equipment included in the proposed Hartford Integration Project be used for other projects at the Wood River refinery such as the low sulfur gasoline project or the ultra low sulfur diesel project?

Yes, but only indirectly. The various material streams produced by the crude and coker units will be sent to different process units at the Wood River refinery, and some of that material will go into the production low sulfur gasoline and ultra low sulfur diesel.

24. If equipment purchased by ConocoPhillips is covered by an existing Consent Decree that is applicable to Premcor, must ConocoPhillips also comply with the Consent Decree for the covered equipment?

Yes. The Consent Decree addresses the possibility of a transfer of ownership of equipment. ConocoPhillips has made the appropriate notifications to USEPA and Illinois EPA regarding the transfer of ownership of equipment and the effects on the Consent Decree.

25. Have all the terms of the Consent Decree been carried out on the units at the Hartford refinery?

No. Certain requirements of the Consent Decree have not yet been carried out.

26. Does ConocoPhillips intend on following Premcor's "Plan for NO_x Controls for Heaters and Boilers?" Did Premcor submit this plan?

This requirement of the decree will likely have to be revised as it does not include provisions to address operation of only about half the heaters and boilers at the Hartford refinery, as is occurring with the integration project. Premcor did not submit the plan for further NO_x controls. The decree also does not address an interruption in the operation of the refinery, as has occurred, during which period Premcor was to have conducted a demonstration project for ultra low-NO_x burner technology.

27. How can the public be assured that ConocoPhillips will uphold its obligations under the various Consent Decrees?

If the Wood River Refinery violates conditions of the Consent Decree, penalties will be applied and appropriate action will be taken to bring the refinery back into compliance.

28. The Consent Decree requires Premcor to obtain the necessary FESOPs or CAAPP permits. This seemed to have never happened because either Premcor or Illinois EPA let existing Operating Permits expire. It is questionable if ConocoPhillips can be allowed to operate any of the equipment covered in the consent decree under the old operating permits.

This requirement of the decree will likely have to be revised as it does not include provisions to address an interruption in the operation of the refinery, during which period Premcor was to have submitted appropriate permits for the installation of low NO_x burners on boilers and heaters.

29. The Consent Decree indicates that it will substantially reduce emissions from the Hartford refinery, i.e., SO₂ by 4,700 tons/year, NO_x by 270 tons/year and PM by 630 tons/year. None of these emissions reductions can be used in ConocoPhillips' netting exercise.

The Hartford Integration Project does not rely on any of the decreases required by this decree. The consent decree referenced by this comment (United States of America and People of the State of Illinois v. Clark Refining and Marketing Company No. 99-87-GPM) is specific about which emissions decreases may not be used for a netting exercise.

30. As part of the review of an application, does the Illinois EPA check if any of the equipment is under a consent decree?

Yes. As consent decrees address statutory and regulatory matters, they are considered along with adopted laws and regulations. However, noncompliance with

laws and regulations may more directly affect a permitting decision whereas noncompliance with a consent decree may be a matter for consideration by the court that issued the decree.

31. Has the burning of fuel oil at the Hartford Refinery been discontinued? This was a requirement of a Consent Decree between Premcor and USEPA.

Premcor discontinued the burning of fuel oil as required by this decree. ConocoPhillips, as the new owner of the equipment, is also prohibited by the Consent Decree from using fuel oil in the units at the Hartford refinery.

32. Have all the heaters and boilers located at the Hartford Refinery been fitted with ultra low-NO_x burners? This is another requirement of the Premcor Consent Decree.

The heaters and boilers at the Hartford refinery have not yet been equipped with low-NO_x burners. The deadline in the Consent Decree accompanying this requirement is October 1, 2005.

33. The NO_x netting exercise uses 320 tons of direct reductions from the shutdown of the FCC Unit at the Hartford refinery and 17.4 tons of indirect reductions from the elimination of the associated flare streams. It is my understanding that the FCC Unit is subject to a Consent Decree that expressly forbids counting these emission reductions. Was the FCC unit in violation? How can a unit that has emission exceedances be allowed to be used as an emissions credit?

The Consent Decree includes requirements related to alleged violations involving SO₂ and PM emissions from the FCC Unit. It does not indicate that the FCC Unit was in violation of any NO_x emission standard. Therefore the FCC Unit can be used in a netting exercise for NO_x.

34. The Air permit asserts that there is a contemporaneous net decrease in emissions from the refinery, which makes the integration project not subject to PSD rules. This assertion rests on the NO_x netting calculations that were submitted for the Hartford Integration Project. These calculations claim that reductions in NO_x emissions from various emission units at ConocoPhillips resulted from the switching of fuels. Some of these reductions are the same reductions used in the netting calculation for the facility's low sulfur gasoline permit. Is ConocoPhillips allowed to do this?

When a netting exercise is performed, all creditable emissions increases and decreases that have occurred within the contemporaneous time period are summed with the increase from the proposed project to determine whether a significant net increase will occur. Creditable emissions decreases in the five-year contemporaneous time period may be included in this calculation even if the decreases have been involved in a previous netting exercise. In this regard, emissions decreases are handled the same way as past emissions increases, which

must continue to be included in future netting exercises until they are outside of the contemporaneous time period.

35. A construction permit issued in 1999 to Equilon, a former owner of the Wood River refinery, used the future shutdown of Boilers 15 and 16 in a netting exercise for NO_x emissions. For that project, the actual NO_x emissions of the boilers were adjusted to only give credit as if lower emitting refinery fuel gas were being burned, rather than refinery pitch. Does the netting for the Hartford Integration Project use the same approach?

No. The project addressed by that construction permit was not built and that permit does not govern the netting exercise for the Hartford Integration Project. The use of credits for the elimination of pitch at the Wood River Refinery is governed by the actual consent decree for Equilon (Consent Decree, 98-652-GPM). That decree does not prevent the use of the associated emission reductions in a future netting exercise, as is now occurring with the integration project.

36. Condition 2(a) of the draft Air permit addresses the FCC unit, which is not part of the integration project. Why is the FCC Unit even mentioned? If there is some kind of groundwork that is being laid for a start-up, we would like the condition to be taken out.

The permit for the Hartford Integration Project must address the FCC Unit because ConocoPhillips is relying on the FCC Unit for a creditable emissions decrease in the permitting for the Hartford Integration Project. Condition 2(a) leaves no doubt that ConocoPhillips must apply for and obtain a construction permit for the FCC Unit prior to resuming operation of the unit. This is relevant to the integration project, as ConocoPhillips would have to supply other NO_x emissions decreases or otherwise adjust operation of the integration project in conjunction with startup of the FCC Unit.

37. Is ConocoPhillips required to operate the coker gas recovery system during all periods during which coker drums are switched? Can this requirement be put in the permit?

Yes. This is a requirement of the Consent Decree. This requirement is also contained in Construction Permit 02060033 for "Fuel Combustion Equipment/Delayed Coker Unit," which has been transferred to ConocoPhillips. The final permit clarifies that the permit does not affect nor can it affect ConocoPhillips' obligation to comply with applicable provisions of consent decrees.

38. Are there any VOC monitors on the equipment at the Hartford refinery?

No. The predominant pollutant coming from the Hartford refinery, as currently permitted to operate, will be NO_x emissions from heaters and boilers.

39. For what pollutants is continuous emission monitoring conducted on the two existing Catalytic Cracking Units at the Wood River refinery?

NO_x and SO₂ emissions are continuously monitored on these units.

40. The Catalytic Cracking Units, CCU-1 and CCU-2, both have monthly and annual emission limits for NO_x. For example, for CCU-1, the annual limit is 968 tons, but the monthly limit is 87 tons, not 81 tons, which would be one twelfth of the annual limit. Is ConocoPhillips allowed to exceed the annual limit since if it ran at its monthly limit for twelve months it would exceed the annual limit?

ConocoPhillips is required to comply with both the annual and monthly emission limits. The monthly limit is set higher than one twelfth of the annual limit to accommodate variability in emissions on a month-to-month basis. This is because during the course of a year there may be months when the units runs at higher production levels and months when the units run less, such as when a maintenance outage occurs. The monthly limits are important as they address the extent of permitted variability that may occur in emissions from month-to-month.

41. What does it mean specifically to generally comply with the equipment leak requirements specified in 40 CFR 63, Subpart CC? The term “generally comply” seems pretty vague.

These regulations contain two compliance options for emissions of VOM due to leaks from valves, pumps, and other components at refinery units. Rather than list each individual requirement of the two compliance options, the construction permit identifies the compliance option that ConocoPhillips has chosen.

42. Will all of the conditions in the existing permits for the units at the Hartford refinery be included in the construction permit for the Hartford Integration Project?

The Illinois EPA has not reissued these permits in this construction permit. What this permit allows is ConocoPhillips to resume operation of the units as part of the integration project. The details of how the units must be operated, in terms of regulations and matters such as how the coker drum is operated, are governed by the existing permits. In general, these permits have been transferred to ConocoPhillips. The exceptions are a permit for Boilers 4 and 5 and a permit for certain storage tanks, because there are no procedures to transfer only part of a permit. For these units, a specific provision has been added to the final construction permit authorizing operation under the relevant provisions of the existing permits.

Emissions

43. I cannot understand the potential to emit of the Hartford Integration Project. There are no data in the application that provide this information.

The Hartford Integration Project will cause an increase in emissions at the Wood River Refinery because the Wood River Refinery's Crude Unit does not currently have the capability of processing heavy crude. This emissions increase will be generated at the Wood River Refinery's catalytic cracking units and sulfur plant. All other units at the Wood River Refinery will continue to operate as they historically have and should not experience an increase in emissions caused by this project.

The increase in NO_x emissions at the Catalytic Cracking Units was calculated by ConocoPhillips and sent to the Illinois EPA on January 14, 2004. The emission calculation utilized feed burn rate data and coke burn rate data and a site specific NO_x emission factor, which was based on stack test emission data, to calculate NO_x emissions. In the future, NO_x emissions at the Catalytic Cracking Units will be determined by a continuous emissions monitor as required by the Air permit.

44. How much will sulfur dioxide emissions decrease due to the reduced flaring at the Hartford refinery?

Because of the reduction in flaring due to recovery of coker blowdown gas, ConocoPhillips indicates that the former Hartford units will emit approximately 3,000 tons per year less SO₂ than when Premcor historically operated these units.

45. Does the Hartford Integration Project debottleneck any of ConocoPhillips' processes?

The project does not debottleneck any individual processes at the Wood River refinery, but it does debottleneck the refinery. This is because the handling of heavier crude oil will yield intermediate streams that contain more nitrogen and sulfur. The further processing of these materials at the Wood River refinery will potentially be accompanied by increases in SO₂ and NO_x emissions. However, ConocoPhillips will compensate for any potential increase in SO₂ emissions by the use of a de-SO_x catalyst in the two Catalytic Cracking Units. ConocoPhillips has chosen to perform a netting exercise for NO_x emissions, considering contemporaneous decreases in NO_x emissions, to show that there will not be a significant net increase in NO_x emissions.

46. The Notice of Incompleteness sent to ConocoPhillips by the Illinois EPA in November 2003 asked, how the operation of the Hartford Integration Project would impact the production and emissions at the Wood River Refinery? In other words: will the Hartford Integration Project debottleneck production at the refinery. Unfortunately, the question gave two "examples" which are the only two things ConocoPhillips answered. So the question remains: does the addition of the Hartford Integration Project increase production and emissions somewhere else? How would the Illinois EPA know or not know for that matter?

This project does not authorize an increase in production at the Wood River Refinery. Emissions will increase at the Wood River Refinery since they will be handling certain material streams from heavier crude. These emission increases have been calculated and will be monitored by continuous emission monitors to ensure that a significant net increase in emissions does not occur.

47. The Water permit states that there will be an increase in the throughput of the Wood River refinery from 310,000 barrels to 323,000 barrels of crude oil per day, i.e., an increase in production. However, the Air permit says that there is to be no increase in production. Since the Water permit does allow for an increase in throughput, is that taken into account in the Air permit?

This Air permit does not authorize an increase in capacity for the Hartford Integration Project, as the air emissions consequences of changes to increase production, if any, have not been addressed. The Water permit does accommodate future projects at the Wood River refinery that would increase the volume of wastewater. However, it does not permit these projects, as it does not address any air emissions consequences from such projects.

Air permitting, unlike Water permitting, addresses the emissions that occur at individual process units. As such, Air permitting directly addresses the changes in emissions that may accompany a proposed increase in production or the processing a different raw material. For the integration project, as stated by ConocoPhillips, the intent at this time is to maintain the current operating capacity of the Wood River refinery and utilize equipment at the Hartford refinery to increase its flexibility to process different types of crude oils.

48. The Water permit describes production increases and decreases at the Wood River refinery in areas other than the Hartford Integration Project, i.e., an the additional 54,000 barrels a day for crude and the additional 23,000 barrels/day cracking and coking. Are there operational limits in the permit that would safeguard against any additional emissions possibly created by production increases?

The Air permit contains operational requirements to ensure compliance with the emission limitations. In particular, the permit requires the use of a de-SO_x catalyst to control the emissions of SO₂ from the catalytic cracking units. Specific operating limitations have not been placed on these cracking units or the sulfur plant because these units have or will have continuous emissions monitors. With respect to the additional crude, cracking, and coking throughputs, ConocoPhillips has demonstrated that a significant net emissions increase will not occur for the projected utilization of these units and compliance will be demonstrated by continuous emissions monitoring. Furthermore, this permit does not authorize an increase in capacity at the refinery.

49. The material prepared by the Bureau of Water talks about four phases to the project, including Tier 2 low sulfur gasoline "Step 1," Tier 2 low-sulfur gasoline "Step 2," ultra-low sulfur diesel, and this integration project. As these are phases of one project, all these phases should be part of one construction permit application. It seems that this could be viewed as an attempt to improperly avoid New Source Review regulations. Why are these other activities not being addressed under this Air permit?

The Illinois EPA Bureau of Air has never described these activities as four "phases" of one project. For purposes of air pollution control, the Hartford Integration Project is a separate project from the other three activities that have been or will be addressed by separate permitting. Incidentally, in the permitting for Step 1 of ConocoPhillips' low sulfur gasoline project, the presumption has been established that Step 2 would have to be considered with Step 1, as a single project for purposes of implementing New Source Review regulations.

The only project before the Bureau of Air, as now being addressed, is the Hartford Integration Project. The Bureau of Air has already issued a permit for Step 1 of the low sulfur gasoline project. ConocoPhillips has not yet submitted an application for an ultra-low sulfur diesel project or Step 2 of its low sulfur gasoline project. The Illinois EPA does not know what changes ConocoPhillips will propose to make as part of these initiatives. If and when ConocoPhillips completes its specific plans for these other clean fuel initiatives, the Bureau of Air would then review the associated permit applications and, if compliance is shown, issue construction permits. It is inappropriate to suggest that ConocoPhillips has attempted to circumvent New Source Review by not now considering a future project that it would undertake to comply with federal rules that requires less sulfur in diesel fuel. That project, like the initiatives for low sulfur gasoline, is not a project that ConocoPhillips is freely undertaking at its own volition.

Safety

50. Will workers have to manually open up the coke drums or will this be automated, which is the safe way to do it.

ConocoPhillips indicates that the coker unit will have a number of improvements related to worker safety. A hydraulic system will be used during the periodic removal of the head on the coker drum to hold the head in place and maintain the seal while the headbolts are removed. Coke carts will be moved by a new system that will allow operators to work at a distance from the carts.

51. Has ConocoPhillips inspected all of the tanks that will be used? With the serious problems with groundwater contamination below Hartford, if the tanks are not all inspected, it can only get worse."

ConocoPhillips has confirmed that the tanks at the Hartford refinery that were emptied by Premcor were or will be inspected before being refilled. In addition, ConocoPhillips must inspect all its tanks and other equipment on a regular basis as needed to verify integrity.

52. Has each piece of equipment been inspected by the Illinois EPA? Why not? Isn't the permit being issued for the purpose of operating the equipment? Since the Illinois EPA is involved in addressing the problems, wouldn't it be a good idea for the Illinois EPA, to inspect the equipment to see that it is properly operated?

No. When the Hartford refinery ceased operation, the Illinois EPA ceased conducting inspections of refinery units for purposes of emissions. It will certainly be appropriate to inspect these units when they resume operation, but for the last 18 months, there weren't any emissions.

53. Since an "emergency" permit was issued on April 6, 2004 for the Hartford crude unit, I urge the Illinois EPA to inspect all equipment before issuing a permit for the Hartford Integration Project.

The "emergency" permit requires ConocoPhillips to perform all necessary procedures to test the operability of units prior to startup. Such testing is to include a pressure test using nitrogen, backfill of the unit with light petroleum liquid for perform operational/integrity testing, and other tests as appropriate. This provision was included in that permit to make clear that even though an emergency permit has been issued, all appropriate procedures prior to startup must still be followed. This provision was not included in the Hartford Integration Project permit because it is not an emergency permit.

54. What caused the recent fire at the Wood River refinery?

While the immediate cause of the fire at the Catalytic Feed Hydrotreater unit is generally known, i.e., a rupture in a secondary line for the unit, the incident is still under investigation by ConocoPhillips. More importantly, the fire was effectively contained and safely put out.

55. It is very important that this facility operate as safely as possible so that people are protected. Jobs are very important, but so is public health.

The Illinois EPA is in full agreement that the Wood River refinery must be safely and properly operated so that the public and environment are protected.

Compliance

56. USEPA's ECHO database has the Wood River refinery listed as being out of compliance with the Clean Air Act for the last eight quarters. Is ConocoPhillips in compliance now?

The ECHO database does indicate that the Wood River refinery has allegedly caused violations of the Clean Air Act. However, there are currently no known violations of applicable air pollution control laws or regulations. The historic incidents referenced in the ECHO database have been technically resolved, but not yet procedurally or legally settled.

57. What if the Illinois EPA gives ConocoPhillips the permit and then finds out that the equipment does not work properly?

ConocoPhillips is obligated to operate its equipment so as not to cause violations of applicable laws or regulations. If the equipment does not operate properly and deviates from the permit limits, enforcement would be initiated.

Trade Secret information

58. Does the Illinois EPA have access to the information in a permit application that a source claims is Trade Secret?

Yes, the Illinois EPA has access to such information but must generally not make it available to the public or other sources.

59. ConocoPhillips is claiming trade secret status for nearly half of the pages in the Bureau of Air application. It does not seem like a good neighbor to keep even the description of the project from the public.

Generally, a source may claim a detailed project description as a Trade Secret if it considers such information to be of competitive value, has not become a matter of general knowledge, and does not constitute emission data. The details of construction projects are often of competitive value, i.e., they provide valuable information to other companies that are also competing to increase their business or revenues.

The general nature of this project was described in ConocoPhillips' application and in the documents prepared by the Illinois EPA. Emissions data for the project was available to the public. The Illinois EPA also responded to questions from the public about the scope of the project.

Subsequent to the public hearing and based on a Trade Secret Statement of Justification request by the Illinois EPA, ConocoPhillips withdrew its request that the Illinois EPA consider the project description as Trade Secret Information.

60. I would like to know what justification ConocoPhillips gave for asking a portion of the application to be trade secret.

ConocoPhillips claimed Trade Secret status for a portion of the application due to the competitive value of the information.

61. I don't see how a valid Trade Secret claim related to competition is possible, because I don't see other competitors. All the other refineries have closed down.

While Wood River refinery is the only refinery still operating in the area, it is still in competition with other companies and refineries at other locations.

62. Did the Illinois EPA review ConocoPhillips' Trade Secret claim?

The Illinois EPA performed a review of ConocoPhillips' Trade Secret Claim. However, due to limited resources and internal misunderstandings, not until after the public hearing did the Illinois EPA request a Trade Secret Statement of Justification. Notwithstanding the absence of such a statement, the Illinois EPA is required to protect all information claimed Trade Secret until all appeal rights are exhausted.

63. The review of a Trade Secret Claim by the Illinois EPA is an important decision affecting the public's rights to review information in permit application and to be able to comment on proposed projects.

This is correct. First, the Illinois EPA reviews claims to confirm that procedural requirements have been satisfied. Next, the Illinois EPA determines if any of the information claimed Trade Secret constitutes emission data. The Illinois EPA routinely denies Trade Secret claims if information claimed Trade Secrets constitutes emissions, effluent data, or certain data involving waste deposited at treatment and disposal facilities. Difficult legal issues arise when the Illinois EPA must determine if information is of competitive value and has not become a matter of general knowledge. Generally, the Illinois EPA must afford a source claiming information deference regarding what information is of competitive value.

As the question specifically applies to ConocoPhillips, the Illinois EPA believes that all information important to the public for the purposes of evaluating the permit application and providing meaningful comments was provided in a timely fashion.

64. There are certain requirements that a source must meet to protect trade secrets. Yet, ConocoPhillips has had press releases about the Hartford Integration Project. They have publicly talked about it.

The fact that the integration project is occurring is not a trade secret nor can it be a trade secret as the project affects emissions. However, this does not mean that ConocoPhillips cannot properly consider and treat certain details of the project to be Trade Secrets.

For air pollution control permit applications, the type of information that is most commonly claimed as trade secret is technical details about how a process works or is arranged. As related to ConocoPhillips, this is certainly information that could be valuable to competitors for changes that could be made in other refineries around the world. In this regard, sources do look in the applications of their competitors to glean information and ideas on how to make improvements in their operations. Where sources have invested time and money to develop those processes they do not want that information to be inadvertently provided

65. Why didn't the Illinois EPA extend the public comment period on this application when I requested it do so because of the difficulties with the Trade Secret claim and its handling by the Illinois EPA?

There are no rules that specifically address the circumstances in which a public comment period should or should not be extended. The Illinois EPA made the determination not to extend the public comment period under its general administrative authority after careful consideration of the surrounding circumstances. The difficulties with the Illinois EPA's handling of the Trade Secret Claim are not the fault of ConocoPhillips, which is entitled to claim information in its applications as Trade Secret. The public is not entitled to view the complete application when a source has included Trade Secret information. ConocoPhillips is also entitled to timely action on its application. The Illinois EPA held a 75-day public comment period on the application, including a public hearing. It was not appropriate to extend this comment period because of a supposition that claimed material included information that would be relevant to submittal of additional comments. This is particularly true as expeditious resolution of the Trade Secret claim could not and still cannot be assured. Finally, it is apparent from the public comments that this project has strong support from the local community.

Public Comment Procedures

66. It is apparent because of the issuance of the temporary permit for the Hartford Crude Unit on April 6th that the Bureau of Air does not value or want meaningful public participation in permitting.

This is not correct. The decision to grant that construction permit was carefully considered. That project is clearly distinguishable from the Hartford Integration project. The permit is limited in duration so that it cannot encompass the shift in crude oil supply for the Wood river refinery that is the specific motivation for the Integration Project.

67. It is obvious from the handling of the public hearing by the Illinois EPA, as shown in the transcript, that the Illinois EPA is not interested in the questions or concerns of the public. Individuals with pertinent questions were marginalized by requiring them to complete their statements at the end of the hearing, while supporters were allowed to make repetitive statements in favor of the project.

The Illinois EPA believes that an objective review of the hearing held for this project demonstrates the Illinois EPA's commitment to the public hearing process. The relatively small number of individuals at the public hearing with detailed questions about the project were given ample opportunity to pose these questions at the hearing. In contrast, the far larger number of individuals who supported the project generally made short and concise statements. While there were common themes in many of these statements, it does not mean that the Illinois EPA should have acted to limit such statements. Action to discourage or limit repetitive comments, positive or negative, at a hearing is generally taken only as necessary to assure that all individuals have an opportunity to speak and that the full range of issues is covered. The comments by supporters of the project did not interfere with these objectives for the public hearing.

Other Comments

The Illinois EPA received many comments for which it is not appropriate to respond. This is because they concern matters that are outside of the authority and purview of the Illinois in permitting.

68. We support ConocoPhillips.
69. The jobs provided by this project are needed.
70. ConocoPhillips has been a good neighbor to Roxana. The company communicates and is responsive to the Village of Roxana.
71. ConocoPhillips is an integral part of the community of Roxana and I see nothing on the horizon but good things for the Village of Hartford because of the Hartford Integration project.
72. ConocoPhillips reopening part of the Hartford refinery will have an economic benefit on the school district, but as significant, it will have a benefit on every taxpayer in the area

because of the amount of taxes that ConocoPhillips pays and because of the business that it brings to the area.

- 73. The Wood River refinery is a critical employer in my legislative district and a base to manufacturing industry in southwestern Illinois. My district has lost two other refineries, and the loss of the remaining refinery would devastate the area even more. I must support ConocoPhillips' efforts to maintain the technological and economic strength of the Wood River refinery.
- 74. In my job, I have regular contact with the management of the Wood River refinery and know they place a high emphasis on operating the facility both safely and with environmental responsibility.
- 75. The Hartford Integration Project will add approximately 70 new jobs to the existing refinery work force. It also generates jobs within the contractor industry and construction maintenance industry. This region needs ConocoPhillips and it needs this project to move forward.
- 76. I feel that ConocoPhillips has a strong commitment to safety for the community and the environment and the workers in the community.

For Additional Information

Questions about the public comment period and permit decision should be directed to:

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